

RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY
RE: FINAL DESIGNATION OF BASILICA ASSOCIATES II
APPROVAL OF FINAL WORKING DRAWINGS AND SPECIFICATIONS
AND PROPOSED DISPOSITION OF BUILDING 75
IN THE CHARLESTOWN URBAN RENEWAL AREA
PROJECT NO. MASS. R-55

WHEREAS, the Boston Redevelopment Authority, (hereinafter referred to as the "Authority"), has entered into a contract for loan and capital grant with the Federal Government under Title I of the Housing Act of 1949, as amended, which contract provides for financial assistance in the hereinafter identified Project; and

WHEREAS, the Urban Renewal Plan for the Charlestown Urban Renewal Area, Project No. Mass. R-55, (hereinafter referred to as the "Project Area"), has been duly reviewed and approved in full compliance with local, State and Federal law; and

WHEREAS, the Authority is cognizant of the conditions that are imposed in the undertaking and carrying out of urban renewal projects with Federal financial assistance under said Title I, including those prohibiting discrimination because of race, color, sex, religion or national origin; and

WHEREAS, Basilica Associates II has expressed an interest in and/or have submitted a satisfactory proposal for the development of Building 75 in the Charlestown Urban Renewal Area; and

WHEREAS, the Authority is cognizant of Chapter 30, Sections 61 through 62H of the Massachusetts General Laws, as amended, with respect to minimizing and preventing damage to the environment:

NOW, THEREFORE, BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY:

1. That Basilica Associates II be and hereby is finally designated as Redeveloper(s) of Building 75 in the Charlestown Urban Renewal Area.
2. That it is hereby determined that Basilica Associates II possess the qualifications and financial resources necessary to acquire and develop the land in accordance with the Urban Renewal Plan for the Project Area.
3. That disposal of said Building by negotiation is the appropriate method of making the property available for redevelopment.
4. That the Final Working Drawings and Specifications submitted by Basilica Associates II for the development of Building 75 conform in all respects to the Urban Renewal Plan for the Project Area, and that said Final Working Drawings and Specifications be and hereby are approved.

5. That it is hereby found and determined that the proposed development will not result in significant damage to or impairment of the environment and further, that all practicable feasible means and measures have been taken and are being utilized to avoid or minimize damage to the environment.

6. That the Director is hereby authorized for and in behalf of the Boston Redevelopment Authority to execute and deliver a Lease Agreement conveying Building 75 to Basilica Associates II, said documents to be in the Authority's usual form.

7. That the Secretary is hereby authorized and directed to publish notice of the proposed disposal transaction in accordance with Section 105(E) of the Housing Act of 1949, as amended, including information with respect to the "Redeveloper's Statement for Public Disclosure" (Federal Form H-6004).

BUILDING #75 CHARLESTOWN NAVY YARD LEASE COMMENCEMENT AGREEMENT SUMMARY

Within 30 days of Tentative Designation, the designated developer and the Boston Redevelopment Authority (BRA) will enter into a Lease Commencement Agreement containing the conditions of Final Designation. The Lease Commencement Agreement will be based on the terms and conditions specified below, which will become effective upon Final Designation.

PROPERTY: Building #75 at Charlestown Navy Yard, as designated by Lessor, 25,000 Building GSF

LESSOR: Boston Redevelopment Authority

LESSEE: Basilica Associates, Limited Partnership

TERM: 50 years

RENEWAL: None

FINAL DESIGNATION: Not more than 270 days from the execution of the Lease Commencement Agreement, subject to extension by mutual agreement of Lessor and Lessee.

LEASE COMMENCEMENT DATE: Simultaneous with Final Designation.

RENT:

- A. Option Payment: \$.15 per GSF per annum payable monthly in advance, to increase by \$.15/GSF per annum at each 3 month interval, will commence one month from the execution of the Lease Commencement Agreement Date and will continue until the start of construction.
- B. Base Rent During Construction: 50 percent of the operational period Base Rent, or \$.40 per GSF per annum payable monthly in advance, will commence at the start of construction and will continue until the receipt of a certificate of occupancy.
- C. Base Rent: \$.80 per GSF per annum payable monthly in advance, will commence one month after receipt of a certificate of occupancy.
- D. Percentage Rent: 15 percent of annual net cash flow payable monthly in advance based on a budget prepared annually and submitted to Lessor not less than 60 days prior to the beginning of each fiscal year. Annual net cash flow shall be calculated by subtracting the following items from effective gross income: certified operating expenses, real estate taxes, Base Rent, and an annual amount equal to 12.5% of certified total project costs, or 10% if IRB financing is utilized. Within 90 days of the end of each fiscal year Lessee shall submit a

calculation of Percentage Rent for that year certified by a CPA acceptable to Lessor and shall make a payment or receive a credit of Percentage Rent based on the certified statement. Until the annual Percentage Rent amount is certified, and payments and credits are allocated, the monthly Percentage Rent payment in any fiscal year shall be no less than one-twelfth of the fiscal year.

**MAINTENANCE
FEE:**

\$.05 per GSF of the improvements to the Property per annum will commence one month after receipt of a certificate of occupancy and thereafter is subject to an escalation formula for the remainder of the lease. All redevelopers within the Historic Monument Area of the Charlestown Navy Yard will be required to contribute this amount to maintain the public areas therein.

**CHARLESTOWN
NEIGHBORHOOD
CONTRIBUTION:**

\$.50 per GSF of the improvements to the Property payable simultaneous with the Lease Commencement Date. All redevelopers within the Historic Monument Area of the Charlestown Navy Yard will be required to contribute this amount for community and social activities. Contributions will be distributed in concurrence with the Charlestown Advisory Committee.

**DESIGN
GUIDELINES
AND
REVIEW**

A. Lessee must adhere to the Design Guidelines issued September 1984 as part of the request for proposals (attached).

B. Lessee must adhere to BRA Design Review Procedures (attached).

C. Lessee must adhere to the BRA Harbor Park Plan.

D. Lessee acknowledges Design Review Procedures will encompass BRA approval of both exterior and interior building design.

SUBORDINATION: Lessor's fee interest in the Property will not be subordinated. Lessor's Base Rent will not be subordinated. Percentage Rent will not be subordinated. In the event of a foreclosure, the Lessor may defer Percentage Rent for a period of time sufficient to allow lender to cure.

FINANCING: Any initial permanent financing may not exceed certified total project costs.

REFINANCING: Lessor will receive as Additional Rent 15% of net refinancing proceeds upon refinancing.

SALE: Lessor will receive as Additional Rent 15% of net sales proceeds upon sale.

ALIENATION: Lessee may not dispose of its interest in the project for five years after issuance of a final certificate of occupancy. Thereafter, Lessee may not dispose of its interest in the project without the written consent of Lessor, such consent not to be unreasonably withheld.

**ESTOPPEL
CERTIFICATE:** Lessor agrees to provide any lender that notifies the Lessor of its mortgage interest with an Estoppel Certificate granting such lender notice of default and right to cure as may reasonably be required.

**CONSTRUCTION
OF
IMPROVEMENTS:** Lessee must make improvements on the Property in accordance with plans and specifications approved by Lessor as part of Lessee's Final Designation within 18 months of such Designation.

**CONSTRUCTION
OF PUBLIC
IMPROVEMENTS:** Lessee must make improvements to that area between Buildings 75 and 106 which comprises the extension of the Second Avenue Pedestrian Mall. Completion of such improvements must adhere to the time schedule specified in the preceding section "Construction of Improvements". The design and construction of the improvements will be subject to BRA design review and approval.

**BOOKS AND
RECORDS:** Lessee must provide Lessor with a statement of project costs computed in accordance with the Land Lease, certified by a CPA, and approved by the Lessor, within 120 days of issuance of a final certificate of occupancy. Lessor will use industry standards as a guide to Lessor's approval.

In addition to the reports required for the Percentage Rent calculation, Lessee must provide Lessor with a statement of operation certified by a CPA, and approved by the Lessor, within 90 days of the close of each fiscal year. Lessor will use industry standards as a guide to Lessor's approval.

**AFFIRMATIVE
ACTION:** Lessee must comply with the Mayor's Executive Order concerning Affirmative Action goals for construction employment, permanent employment and minority business contracting. The Lessor will assist the Lessee in meeting these goals.

**REAL ESTATE
TAXES:** The Property will be fully taxable by the Assessor of the City of Boston at applicable rates.

LIABILITY: Lessor and the City of Boston will not incur any expenses in the development of the Property. The Property will be leased in an "as is" condition. Lessee will pay for the cost of any utility relocation not paid by any utility company.

PAUL A. BARTLETT
Attorney-at-Law
SUITE 217
6 PLEASANT STREET
MALDEN, MASS. 02148

October 14, 1986

Mr. James English
Boston Redevelopment Authority
Boston City Hall
One City Hall Square
Boston, MA 02201

Dear Mr. English:

In compliance with your request of October 8, 1986, to the
Basilica Associates II Limited Partnership, I am pleased to provide
you with the following information.

Disclosure Statement
Required by Section 40J, Chapter 7 of the General Laws
(Chapter 579 of the Acts of 1980)

1. Location Building #75, Charlestown Navy Yard
2. Lessor Boston Redevelopment Authority
3. Lessee Basilica Associates II Limited Partnership

I hereby state, under the penalties of perjury, that the true
names and addresses of all persons who have a direct or indirect
beneficial interest and the amount of their beneficial interest,
are listed below in compliance with the provisions of Section 40J,
Chapter 7 of the General Laws.

NAME AND ADDRESS OF ALL PERSONS WITH SUCH INTEREST:

<u>Name</u>	<u>Address</u>	<u>Percentage Interest</u>
Paul May	109 LaGrange Street Brookline, MA 02146	50%
NAGE Housing, Inc. Joseph L. DeLorey, President	285 Dorchester Avenue Boston, MA 02127	50%

Mr. James English
Boston Redevelopment Authority
October 14, 1986
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The undersigned also acknowledges and states that none of the above individuals is an official elected to public office in the Commonwealth of Massachusetts nor is an employee of the Division of Capital Planning and Operations of the Commonwealth.

This statement is made by Basilica Associates II Limited Partnership and no beneficiary thereof shall be personally liable hereunder.

Signed under the penalties of perjury, this 14th day of October, 1986.

Basilica Associates II Limited Partnership
by its Attorney

Paul A. Bartlett

PAB/11m

MEMORANDUM

November 5, 1986

TO: BOSTON REDEVELOPMENT AUTHORITY AND
STEPHEN COYLE, DIRECTOR

FROM: JOHN LEIGH, ASSISTANT DIRECTOR,
HARBOR PLANNING AND DEVELOPMENT,
JAMES ENGLISH, DEPUTY DIRECTOR,
HARBOR PLANNING AND DEVELOPMENT,
JOHN DRISCOLL, ASSISTANT DEVELOPMENT COUNSEL, AND
JACK GLASSMAN, SENIOR ARCHITECT

SUBJECT: CHARLESTOWN NAVY YARD
FINAL DESIGNATION OF REDEVELOPER, BUILDING 75;
AUTHORIZATION TO EXECUTE LEASE

As you are aware, Basilica Associates was granted a Tentative Designation as redeveloper of Building 75 and Building 106 on April 4, 1985. In furtherance of the development, the principals of the development team formed two limited partnerships for the redevelopment of the two buildings. Basilica Associates I was granted Final Designation as redeveloper of Building 106 on March 20, 1986. The second entity, Basilica Associates II, now requests Final Designation as redeveloper of Building 75. A Lease Commencement Agreement for Building 75 was approved by a Board vote of September 26, 1985. Basilica Associates II, a Massachusetts Limited Partnership, comprised of Paul May and NAGE Housing Inc. (Jospeh DeLorey, President), has proposed a 3 million dollar restoration of Building 75 into approximately 27,000 square feet of office space which will produce in excess of 100 new permanent jobs. A disclosure statement outlining the partners of the development team is attached to this memorandum.

The developer has assembled a highly qualified team for this project. Vitols Associates is the project architect and will supervise the improvements to the property by the Barkan Construction Company. Brian Pfeiffer of the Architectural Conservation Trust is the project's historic perservation consultant and Walter Kelliher is counsel to the development team. The developer has secured construction and permanent financing committments from Mutual Bank of Newton, MA.

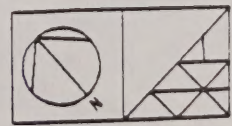
The terms of the lease for the property are most favorable to the Authority. The developer will make annual base rent payments in the amount of \$21,636 and additional annual payments totalling \$0.10 per square foot for security services and maintenance of public open space. Basilica will also make a contribution of \$13,500 to the Authority to support worthwhile community activities in Charlestown. In addition, the developer will pay to the Authority 15% of the net income of the project each year for the 65 year term of the lease. The property will be fully assessed for tax purposes and will pay approximately \$82,5000 annually to the City of Boston.

The developer will also construct, at its own expense, a landscaped pedestrian way adjacent to Buildings 106 and 75 at a total cost of \$300,000. The construction of this public amenity will complete the furthest portion of the Second Avenue pedestrian mall and help complete the pedestrian spine through the Historic Monument area.

It is recommended, therefore, that Basilica Associates II Limited Partnership be granted Final Designation as redevelopers of Building 75 and that the Director be authorized to execute a lease for the property which is reflective of the terms of the Lease Commencement Agreement approved by the Authority on September 26, 1985 (summary attached).

An appropriate resolution is attached.

CHARLESTOWN NAVY YARD



- 1 SHIPYARD PARK
- 2 HISTORIC MONUMENT TRANSFER AREA
- 3 NEW DEVELOPMENT AREA

Building 75

